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Letter from  
John D. Gitting  
Com. of Loans  
To Stockholders of  
Chesapeake & Ohio  
Canal Company

John D. Gitting



# LETTER

TO THE STOCKHOLDERS

OF THE

CHESAPEAKE & OHIO CANAL COMPANY,

FROM

JOHN S. GITTINGS,

OF THE

CITY OF BALTIMORE.

BALTIMORE.

PRINTED BY JOSEPH ROBINSON

1843.



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# LETTER.

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*To the Stockholders of the*

*Chesapeake and Ohio Canal Company:*

You have doubtless seen the proceedings of the late General meetings of the company, published for the first time so far as I know, in the National Intelligencer of the 31st August last. You have, of course, read those proceedings, and such of you as are my personal acquaintances will doubtless have felt equal surprise with myself, at the censures so liberally bestowed upon me. I propose, as briefly as I may, to inquire into their justice.

I have been arraigned for my execution of a trust. The character of that trust a few words will explain.

On the 15th April, 1840, a deed was executed in favor of Messrs. James Swan, William Gunton and myself, by which £90,250 of State five per cents. were lodged with us for sale, the proceeds to be applied to the discharge of script which had been issued to contractors for work done on the canal. The contemplated duration of our duties was six months, and the surplus, if any, of the trust funds was to be handed over to the company.

A prior deed, under date of the 22d January, 1840, had been tendered to my co-trustees and myself, looking in some degree to the same objects, but we declined acting under it, and the instrument of the 15th April, 1840, was accordingly substituted.

The complaints against me are, First, that I failed to make as much of the bonds as I might have done, Secondly, that I have been allowed too high a commission, Thirdly, that I have applied the funds to unauthorised purposes, and Fourthly, that I have not paid over the balance in my hands.

When I shall have answered these charges, I will devote a few words to my associates in the trust, and their conduct in relation to it.

1.—Of the amount realised for the State bonds.

If what was obtained be compared with what the company was willing to have taken, I have merited praise instead of blame. The board would have been content at the inception of the trust with 85, at which rate the bonds would have yielded \$340,944. In point of fact, they yielded, under my management of them, \$345,559 clear of all charges for commissions, interest and expenses, being a net gain over what the company was willing to have taken of \$4,615.

If the comparison be instituted betwixt the results of my agency, and those of other agencies, created by the company with similar duties, the difference in my favor will be still more striking. The whole amount of five per cent. bonds granted by the State to the company, was £1,056,375; and various hands were employed in disposing of them. By a tabular statement, published amongst the proceedings of the general meetings referred to, the rates obtained were as follows:

For £644,000 sold by George Peabody, London, the rate obtained was 71.237 per cent.

For £98,000 sold in Baltimore, 85 per cent.\*

For £24,000 sold to various creditors, 84.95 per cent.

For £58,250 sold at New York, 67 per cent.

For £90,250 sold by me, 85.79 per cent.

From which it appears that I realised more than any other agent of the company, the excess of my rates over Mr. Peabody's, who is styled the "former valued agent of the company," being no less than fourteen per cent.

But it is said that Mr. Swan obtained 90 for similar bonds held by the Merchants Bank, of which he is president, and that sales might have been effected by the trustees at the same rate. It is true that Mr. Swan did realise this amount for a

\* This amount was not sold, properly speaking, but parted with by the company in settlement of debts due to the banks.

small portion of the bonds held by his bank, but that this was only accidental is proved by the fact that the bulk of the bonds, owned by that bank, were sold by him at 85 upon six months. If 90 could have been obtained for more, is it credible that Mr. Swan would not have closed the balance in his hands at that rate? The dealings of Dr. Gunton with similar bonds held by the Bank of Washington, over which he presides, establish the same view. The amount in that bank at the time the trust was created, was £15,000, and these were disposed of at 86 in the summer of 1840. The shrewdness of my co-trustees, sharpened by their interest, would not have permitted them to lose the chance of getting 90 if it was to be got; and I rely upon their acts as conclusive proof that such a rate was not to be had, except for a trifling amount.

It may not be amiss here to advert to another fact attending my sales. Not only did I make them at the favorable rates I have detailed, but the amount which I disposed of was nearly thrice the amount sold in the same time by my co-trustee Mr. Swan, and that too, to go no farther, with both himself and my other associate Dr. Gunton, in the market, ready and eager to avail themselves of every opportunity for giving vent to the bonds held by their respective banks.

2.—As regards the commission allowed the trustees it will no doubt excite your surprise to learn, that notwithstanding the allowance by the company of the commissions complained of, and its consequent inability to recede from that allowance, I voluntarily offered to the present president, Mr. Sprigg, to open the question and leave it to the decision of any respectable gentlemen. The only condition I annexed to this offer was, that if the referees thought the compensation received too small they should make it what it ought to be. It seems to me that it would have been but fair for Mr. Sprigg to have mentioned this proposition to the stockholders. What his motives for declining it may have been, I cannot undertake to say, but shall leave you determine whether he apprehended equal ill fortune from arbitrations as from suits, it appearing according to him that in the latter “the Company is invariably the loser.”



I will not, however, rest the propriety of the allowance upon the presumption which grows out of the offer I have made. I shall proceed to shew what I have said all along, from the time the board of directors voted the commission till now, that it is too small not too large, and that the only person who has any reason to complain of it is myself.

I have already mentioned that at the time the trust was created, my co-trustees alone had £53,000 or thereabouts, to dispose of on account of their respective banks, and there was a large quantity beside in this city and elsewhere, seeking a market. It was soon found that £90,250, the amount held by the trustees could not be parted with, except at a great sacrifice, and this was to be avoided, of course, if practicable. At the same time the holders of the script were daily bringing it in, and some expedient for meeting their demands became indispensable. It was at this juncture that the Chesapeake Bank, of which I am president, stepped in to the aid of the company. It agreed to advance from time to time such sums as were called for by the trust and to redeem the script at its own counter, the bonds being of course pledged to it to make good such advances.

The purpose of this arrangement was to save the company the ruinous loss to which forced sales would probably have subjected it. Let us see how it actually operated. Had sales been made at 85 as the company originally requested, the bonds would have brought \$340,944. As it was, they actually fetched \$361,075, from which deduct the interest on advances \$8,485, and the amount realized by a pledge instead of a sale is \$352,590, being a difference in favor of the course adopted of \$11,646.

Let not the services rendered then be assimilated, as they have been, to those of a broker whose action is merely that of selling—add to that duty the further and heavier one of advancing and then estimate the rate which will compensate. No opinion, I presume on this subject can come in competition with that of George Brown, Esq., of the firm of Alexander Brown and Sons of this city. In his answer given upon oath



to a committee of the Assembly last winter, he stated it as his belief that no house would charge less than a commission of one-half to one per cent for a loan on Maryland bonds for 60 or 90 days. This then furnishes the first element for the calculation. The Chesapeake Bank lay out of its advances on the bonds for six months. The allowance therefor according to Mr. Brown ought to be about two per cent. In addition to this must be computed a commission for sale, which in the report submitted by Mr. Cox to the general meeting is estimated at from one-eighth to one-quarter of one per cent, and I am willing to take the latter rate as correct for my present purpose. Then comes beside the labor of redeeming about \$300,000 of scrip. To form a fair judgment of what this was, it is necessary to state that nearly \$12,000 of this amount was of denominations below five dollars, and about \$6,000 of it consisted of the denominations of five, ten and twenty dollars, all payable on demand, and requiring constant calculations of interest; what then would be a fair charge for such services?

I am happily able on this subject to give the opinions of the late treasurer of the company, of Dr. Gunton, and from their relation of a broker in Washington.\* It so happened that for the convenience of the holders of scrip in that city, money was deposited by me with the Bank of Washington, and Mr. Fillebrown, a clerk in the company's employ, was charged with the redemption of the paper, and claimed compensation. This claim he accompanied with the opinion of the gentlemen just named, that one-half per cent. was a fair charge, "taking into consideration the circumstance that the time occupied was the company's." I cannot err therefore in assuming a quarter of a per cent. more for the same services rendered by myself, taking into consideration the circumstance that the time occupied was *not* the company's. This item then, so ascertained, is three-quarters of one per cent., making in all three per cent. for advancing on the bonds, for selling them and redeeming the scrip.

\* Appendix No. 1.

But is this all the service rendered? The sales at 85 per cent. of £40,250 were made on six months credit. I guaranteed the paper, and it was passed to the company's credit as cash. The just equivalent for this would be about a half per cent. per month, or say two per cent. for the six months, and it will be thus seen, without going further into the calculation, that upon a fair estimate the usual rates of compensation would give the trustees five per cent. The actual allowance to them is two per cent.

Let it be borne in mind moreover that the sales effected by the trustees, as the tabular statement already referred to demonstrates, have been made to greater advantage than any other sales concluded by the company itself or its other agents.

I shall dwell no longer on this part of the subject but dismiss it with requesting your attention, for the facts it contains, to the order of the board allowing the trustees their compensation,\* and again expressing my willingness to open the question and submit it to referees on condition that they have power to augment the allowance if they believe it inadequate.

3.—I now address myself to the charge that I have allowed the funds of the trust to be appropriated to purposes not mentioned in the deed creating it.

The item here alluded to is that of the acceptances of the company, held by the Chesapeake Bank, and by it retained out of the trust funds. A copy of one of them is given for your information as to their character.†

When these acceptances were granted by the company, it was with the expectation that they would certainly be paid at maturity, and under this impression the bank discounted them. That expectation however was not realised, and as soon as it was ascertained that they could not be met, the company arranged, with regard to all its paper of this description, to pay one-third and to give fresh obligations at six and nine months with interest for the balance. The Chesapeake Bank undertook to make the payments accordingly, with funds to be pro-

\* Appendix No. 2.

† Appendix No. 3.

vided for the purpose, but in a sufficiency of means even for this limited amount the company was disappointed. In this emergency it proposed to the bank to advance \$5,000 to be applied towards the satisfaction of the cash payments on the acceptances. The bank assented, forebore to demand its third upon its own acceptances, and paid away that amount as well as the \$5,000.

At this period, let it be remembered, the bonds were actually in the possession of the bank pledged to it to secure the advances it had made for the redemption of the scrip. The literal execution of the trust had been found impracticable. The power to sell, the only one conferred on the trustees, was nugatory for the time, and in exercising the power to pledge and borrow money they acted not by virtue of the deed of trust, but under an independent authority communicated by their principal from the necessity of the case.

That it was competent for the company so to modify their action no one can doubt. The only limitation to its control over the terms of the trust, was its affecting thereby the rights of third persons, and I shall have occasion presently to demonstrate that no difficulty of this kind existed.

The result consequently was to bring the bank into direct connexion with the company, and the funds of the latter thus coming to the hands of the former, every principle of equity justified it in reimbursing itself out of the balance of the trust moneys after the discharge of the scrip.

I have said that the only check to the company's power over the trust, and of course to rights acquired under that power, was to be found in the conflicting rights of third persons. The only claim ever made by any other person to the balance of the trust funds, was one advanced by the Bank of Potomac. Of this claim the trustees were not notified until after the acceptances held by the bank had become due, and when consequently its rights had attached.

The conclusive answer however to the validity of this claim is to be found in the fact, that the order supposed to create it conferred and professed to confer no right to any part of the



funds in the hands of the trustees, appointed by the deed of April, 1840.\* The terms of that order confine its operation to the trust created by the deed of January, 1840; and under that deed, as I have already mentioned, no property ever passed, the same having fallen to the ground by the refusal of the trustees named in it to accept it or execute its provisions.

4.—I now pass to my refusal to pay over the balance in my hands.

The answer to this charge shall be short but conclusive. An attachment issuing out of the Circuit Court of the United States, at the suit of a judgment creditor of the company, has been laid in the hands of the trustees. A bill is also depending in Chancery against the trust fund, brought by the Bank of Potomac for the recovery of its claim. Under such circumstances it cannot be expected that I should part with the balance until legally exonerated from responsibility to these litigating parties.

I have thus disposed of the direct charges against me. When the insinuations against the Chesapeake Bank or myself shall take the shape of positive assertions in any respectable quarter, they will be met and refuted. Till then I shall not condescend to notice them.

A few words now as to my co-trustees and I shall have done. The whole burthen of the trust from first to last fell upon my shoulders. Dr. Gunton never took any part in its labors, and would not even redeem a few thousand dollars of scrip for which I furnished the money in Washington. The sum of Mr. Swan's toils was to pay two visits to New York, for which he asked and obtained his expenses. Whether the indifference of these gentlemen is accounted for by the fact that the banks over which they presided held large amounts of State bonds, and were anxious to sell them, I cannot say, but it is certain that *my* efforts for the trust were not distracted by any such conflicting interests.

It seems to be the impression, however, of Dr. Gunton, that he did actually on more than one occasion exert himself for

\* Appendix, No. 4.

the promotion of the trust. I learn this from the report made by Mr. Cox to the general meeting in June, which states that the Doctor informed the committee on the trust of his having, with Mr. Swan's concurrence, earnestly advised sales in July at 88 and in September at 90. There must certainly be a mistake here. By the terms of the deed of trust, its powers were exerciseable by a majority of the trustees. If Mr. Swan united with Dr. Gunton in advising sales in July at 88, and in September at 90, how is it that sales were not made by them accordingly? It is a fact too that Dr. Gunton himself sold in August for the Bank of Washington, £15,000 at 86. How could the rates then in July und September be as stated? It would be great injustice to the president of the Bank of Washington to think it. I am persuaded therefore that the Doctor, who seems prone to error on this subject, has altogether deceived himself in supposing that he ever made any exertion to discharge the duties of a trustee under the deed of the company of April, 1840.

My other co-trustee, Mr. Swan, labors under a similar misapprehension as to the extent and value of *his* services. In his letter of the 4th May, 1841, (published with the proceedings of the general meetings) he styles the apportionment of the commission between us, as made by the company, "most unjust to him." The weight to be attributed to this opinion you will be better able to estimate when you are informed that Mr. Swan is mistaken in every material statement made by him in the same letter. I will particularize a few of them, and subjoin his communication for your more convenient reference.\* His demand of his expenses, according to him, was made before he knew of any commission being allowed. The order allowing commission was passed the 6th March, 1841. Mr. Swan's receipt for his travelling expenses bears date the 18th March, 1841.† The bonds, according to him, were deliverable in New York at "his risk and expense," and he italicizes these words to give the greater positiveness to the statement. The written contract of the purchasers, im-

\* Appendix No. 5.

† Appendix No. 6.

poses no such duty on him.\* He became responsible, he says, for more than \$150,000 for the bonds sold at six months. The order of the board of 8th March, 1841, apportioning the commission, establishes the fact that the cashing of the sale was effected through *my* individual guaranty.† Lastly, he declares himself never to have made any claim or demand on the company for services, or as he amplified the statement to the committee on the trust “that he made no claim for any pecuniary compensation, and would have been satisfied had the board only acknowledged his services by a vote of thanks.” Mr. Swan was a director, and the minutes of the board of the 6th March, 1841, will shew that he was present on that day and voted for the resolution allowing the trustees their commission. The letter of Mr. Thomas of the 8th March, 1841, will also demonstrate that he took part actively in its passage, and while admitting the superiority of my claims, required nevertheless something for himself.‡ A copy of the check given him for his share of the commission is subjoined.§

I now submit myself to your candid consideration, and await with confidence an approving judgment.

JOHN S. GITTINGS.

*Baltimore, October 7, 1841.*

\* Appendix No. 7.

‡ Appendix No. 9.

† Appendix No. 8.

‡ Appendix No. 10.



## A P P E N D I X .

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No. 1.

WASHINGTON CITY, 27th November, 1840.

*Dear Sir :*

Herewith I transmit the opinion of Mr. Barnard, the late treasurer of the Chesapeake and Ohio Canal Company, as to the compensation which ought to be allowed to Mr. Fillebrown, for services in redeeming the promissory notes of the company, and concurring therein, I earnestly recommend the allowance of that compensation—the amount of notes redeemed I understand to be \$9,000.

Yours, very Respectfully,

W. GUNTON.

*J. S. Gittings, Esqr.*

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I think that the compensation to which Mr. Fillebrown may be entitled for redeeming the promissory notes of the Chesapeake and Ohio Canal Company, should be one-half per cent. upon the amount to be redeemed by him, and in this opinion I am fortified by the concurrence of Mr. Fowler, the broker, who, with myself, took into consideration the circumstance, that the time occupied in the matter was the company's.

I give this at the request of Mr. Gunton and Mr. Fillebrown, by whom the subject was referred to me.

ROBT. BARNARD,  
*Late Treasurer C. & O. C. Co. 27th Nov. 1840.*

*Extracts from the Journal of Proceedings of the President and Directors of the Chesapeake and Ohio Canal Company.*

MARCH 6, 1841.

Messrs. Swan and Gittings, being present, reported (in addition to sales heretofore reported) of Maryland sterling bonds, transferred to them in trust, for the redemption of scrip of this Company, the following :

To Oelricks & Lurman £40,250, a 85 per cent. on an average credit of six months.

Mr. Gittings submitted the following statement in addition :

The trustees have sold £90,200, and have redeemed about \$310,000 of currency notes. The sales were made by J. Swan and J. S. Gittings. The money advanced to redeem the scrip was advanced by J. S. Gittings, through the Chesapeake Bank.

The average amount which the Chesapeake Bank was in advance to the trustees, or Chesapeake and Ohio Canal Company, for six months, was \$150,000.

It is for the Canal Company to determine upon the advantages derived by them from this advance, and the loss sustained by the Chesapeake Bank by locking up so large an amount of her funds, and fix a commission for the trustees, and a separate allowance for John S. Gittings or the bank.

Whereupon, in consideration of the fact that the trustees have obtained advances amounting to \$150,000, on an average credit of six months, to enable them to redeem, on demand, the scrip of the Company, without making a sacrifice of the bonds by forced sales, for which advances the trustees undertake to compensate the bank; and in consideration that the trustees make equivalent to cash the six months' notes, for which the last £40,250 were sold, the sale having been made for 85 on credit, when a much less sum must have been realized to the Canal Company, if the bonds had been forced upon the market; it is

*Resolved*, That the trustees be allowed two per cent. on the amount of sales of all the bonds conveyed to them, in full for all charges and claims for them, or their agents, in the execution of the trust.

*Resolved*, That the trustees be authorized to allow, in the settlement of their account with the Chesapeake Bank, at the rate of six per cent. per annum, and no more, for all sums advanced by that institution.

CUMBERLAND, February 15, 1840.

*To the President and Directors  
of the Chesapeake and Ohio Canal Company.*

*Gentlemen :*

Six months after date, pay to William P. Sterritt, or order,  
one hundred and twenty-five dollars, on account of work done  
on Dam No. 8, and Guard Lock of the Chesapeake and Ohio  
Canal.

\$125.

M. C. SPRIGG, *Com C. & O. C. C.*

CHARLES B. FISK, *Chief Engineer.*

Accepted under order of 24th January, 1840.

\$125

JOHN P. INGLE, *Clk. C. & O. C. C.*  
*February 25, 1840.*

No. 4.

The President and Directors of the Chesapeake and Ohio  
Canal Company, in meeting, April 15, 1840 :

*Ordered,* That the work done by the Alexandria Canal  
Company, on the northern abutment of the Potomac Aqueduct,  
passed by the Board on the 8th inst. be paid as follows, viz :  
Two thousand dollars in cash, and the bond of the Chesapeake  
and Ohio Canal Company, payable at six months after date,  
with interest, for seventeen thousand three hundred dollars and  
seventy-nine cents. It was further ordered, that, as, security  
for the punctual payment of said bond, at its maturity, any  
surplus of money or State bonds, which may be in the hands  
of James Swan, John S. Gittings and Willam Gunton, the  
trustees appointed on the 22d of January last by this Board,  
for certain purposes, after they shall have closed the trust then  
created, be, and the same is hereby pledged and set apart.

Extract from the Journal.

(Signed) Test, JOHN P. INGLE, *Clk. C. & O. C. C.*



No. 5.

BALTIMORE, *May* 4, 1841.

DEAR SIR,—Yours of the 30th ultimo containing interrogatories from the Canal Company, was received this day, and I hasten to reply to them in the order in which they are propounded.

1st. The trustees had no authority to pay the *acceptances* of the Canal Company; the fact of such payment having been made, was not known by me until very recently.

In reply to the 2d inquiry, I have to state that in December, 1840, acting under the belief that the contemplated resumption of specie payments by our banks would reduce the price of all stocks, I proposed to Mr. Gittings to go to New York for the purpose of disposing of the sterling bonds then remaining in our hands; the travelling expenses were paid by Mr. Gittings, and charged to the company with my consent, as I did not know at that time that any compensation would be made to the trustees, other than their actual expenses. In March, 1841, I again went to New York for the purpose of placing on board the steamship *President*, the bonds sold to Messrs. Oelricks & Lurman of this city, it being part of the contract, that they were to be delivered in New York at my *risk and expense*. The charge in this instance (less, I think, than \$30) was made for travelling expenses, but ought, in fact, to have been deducted from the amount of sales of the bonds.

Mr. Gittings will doubtless explain the item for Mr. Fillebrown's services; I know nothing of it.

The last question, under the order of the Company of the 28th April, I answer by saying that I have never made any *claim or demand* on the Company for services; the fact of my having become personally responsible for the payment of more than \$150,000 for bonds sold at six months credit, at a price far beyond what they would have sold for cash, would have justified me in making such a demand. The commission allowed by the board, however, at their meeting on the 6th March last, was in my opinion ample, and although the apportionment of that commission, between Mr. Gittings and myself, made on the morning of the 8th March, was most unjust to me, I have never made any complaint to the Company.

The information asked for in the order passed on the 30th April can be given by Mr. Gittings, in whose hands the bonds were placed.

Very respectfully, yours,

J. SWAN, *Trustee*.

THOMAS TURNER, Esq., *Clerk, &c.*

# 17

No. 6.

J. SWAN and J. S. GITTINGS, Trustees,

	<i>To James Swan,</i>	Dr.
1840. Dec. To Expenses preparing Deed of Trust,		\$ 4 00
To Expenses in part to New York,		13 00
1841. March. To Expenses to New York to deliver		
Bonds according to contract,		29 30
		<hr/>
		\$46 30
Less paid by J. S. Gittings,		13 00
		<hr/>
		\$33 30

Received payment, Balt. March 18th, 1841.

J. SWAN.

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No. 7.

We hereby agree to purchase from J. S. Gittings and James Swan, trustees, £40,000 five per cent. State of Maryland Sterling Bonds, \$444.44 at 85 per cent. payable in paper, to be approved by John S. Gittings, at an average of six months, and the Bonds to be delivered in New York to our order.

E. G. OELRICKS & LURMAN.

*Baltimore Feb. 25, 1841.*

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No. 8.

MARCH 8, 1841.

*Ordered,* That the two per cent. allowance to the trustees, Messrs. Swan and Gittings, for the execution of the trust, be apportioned between them, so that Mr. Swan shall receive one-half of one per cent. on the proceeds of the sales of the bonds, and Mr. Gittings shall be allowed one and one-half per cent. on the proceeds of such sales, it being understood that Mr. Gittings is entitled to this amount in consideration of the fact that this Company is chiefly indebted to him for procuring the advances made to the benefit of the Canal Company, and in consideration of the fact that he is to make equivalent to cash the six months notes, for which the last sale of £40,250 was made.

*Ordered*, That all and every part of the resolution of Saturday, March 6th, on this subject, supposed to be inconsistent herewith, be, and the same is hereby rescinded.

True extracts from the Journal of the 6th and 8th of March, 1841.      THOMAS TURNER, *Clk. C. & O. C. C.*

No. 9.

FREDERICK, March 8, 1841.

*Dear Sir :*

I was much surprised on reading your letter to-day, to hear that Mr. Swan claimed a full half of the per centage allowed. He was present when the order, making the allowance, was passed, and as Mr. Markell and myself well remember, stated again and again, that he had no claim to an amount equal to that which ought to be allowed to you, if you were to undertake to compensate the Chesapeake Bank. Supposing from his declarations that you and he would not find it difficult to apportion the allowance, we omitted on Saturday to make the apportionment. On the receipt of your letter to-day I brought the subject up, and an order was adopted by the board, declaring that you are to have one and a half per cent., and Mr. Swan one-half of one per cent. of the two per cent. The order of Saturday was rescinded, so far as it might be construed to conflict in any way with the order of to-day. In the order of to-day it is stated that the additional allowance made to you as compared with that made to Mr. Swan, is done in consideration of the fact, that through your agency, the \$150,000 had been advanced to the Canal Company; and in consideration of another fact, that the six months paper, for which the last sale was made, is to be passed at par to the credit of the Canal Company, in account with the bank from which the advances of the \$150,000 were made. I do not understand the motive of Mr. Swan for stating to you that I had spoken to the board of complaints made to me as to the kind of funds in which the scrip was redeemed, and of the advantages derived to the Chesapeake Bank by such an operation. I said nothing on those subjects after you left differing from what passed in your presence, and if Mr. Swan should make a contrary statement it will be erroneous. In speaking of the funds in which the scrip was paid, and of the advantages derived to the bank, I did not intend to maintain that by that operation the bank derived an advantage equivalent to its



sacrifices in advancing \$150,000, and now waiting six months for its reimbursement. I referred to those matters by way of an apology for not allowing to the bank a larger compensation than that which we have made. If the bank had been compelled to pay in Baltimore or in New York funds, the \$150,000, surely we would have given more than we have now given.

I am not certain that these matters were talked of at all before the board in your absence. But if they were, I repeat that any statement intended to convey the impression that I spoke of them out of your presence in a manner or for a purpose differing from that in which I spoke, while you were in the room of the directors, is not founded in fact.

That you may make due allowance for the plain manner in which I have expressed myself, on this point I desire you to reflect that I never wear two faces, and am always indignant at any attempt to make the contrary of this appear.

Yours, very respectfully,

FRANCIS THOMAS.

*J. S. Gittings, Esqr.*

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No. 10.

*Baltimore, April, 13th, 1841.*

\$1720 58.

Cashier of the Chesapeake Bank pay to James Swan, Esq. or order, seventeen hundred and twenty dollars and fifty eight cents, being the amount of commissions allowed him by a resolution of the President and Directors of the Chesapeake and Ohio Canal Company, March 8th, 1841.

JOHN S. GITTINGS, *Prest.*

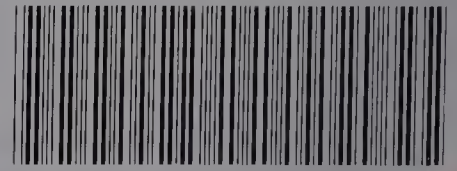
(Endorsed) J. Swan.







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